

Letter of Intent – HQ (Fisher’s Quarry)

City of Vancouver – Hurley Development

1. **Effective Date:** December 22, 2021.
2. **Parties:** An affiliate of Hurley Development, HQ Vancouver, LLC (“Seller”) hereby offers to sell the property referenced below to the City of Vancouver (“Buyer”) for a public Neighborhood Park (“Neighborhood Park”) and Open Space (Open Space) based upon the following terms and conditions (“LOI”).
3. **Properties to be Conveyed:**

The future Neighborhood Park is part of the Fisher’s Quarry development project located in the Riverview Gateway Subarea Plan and zoned as RGX. The Open Space is located outside the subarea plan and RGX zone

3.1 Neighborhood Park: Approximately 6.48 acres and a view easement as illustrated in Exhibit A, and part of Fisher’s Quarry master plan (“Neighborhood Park”) will be sold to the Buyer. The park property includes a native rock outcropping, that provides a buffer from the adjoining state highway. In the event that there are additional boulders available after the development, the remaining boulders will be placed in the park area upon mutual agreement of the parties.

3.2 Seller will at its expense complete the necessary survey and subdivision final platting process to create the Neighborhood Park parcel to be sold to the city.

3.3 The seller will complete ‘Pad-Ready’ improvements to the park parcel prior to Closing. Pad-Ready improvements will include, but are not limited to, park parcel frontage improvement with curb, bicycle lanes and utility stubs for power, water (2” service, 1-1/2” water meter), sewer, and rough graded with native soils. The locations for the utility connections will be determined through the masterplan process in coordination with the Buyer.

3.4 Purchaser is responsible for any design and construction specific to the park use, other than what is specifically included in the delivery condition in addition to all public outreach, to be further detailed in the Purchase and Sale Agreement.

3.5 Open Space and Regional Trail Access: Seller shall donate approximately 4.49 acres, located south of State Route 14 as illustrated in Exhibit B, to provide a visual buffer and access from Evergreen Highway along Quarry Road to serve pedestrian, bicycle, and maintenance vehicle access to the future park and project area, mutually referred to as “Open

Space". The Open Space will be donated to the City concurrent with the final closing on the Neighborhood Park, including Quarry Road and its improvements.

Seller will provide Purchaser with a completed IRS Form 8283 or other appropriate document on which Purchaser can provide written acknowledgement that Purchaser received the Property Donated. Purchaser will execute such document within fifteen (15) days after Purchaser receives the document from Seller and Seller requests that Purchaser sign the acknowledgement.

4. Purchase Price:

4.1. Neighborhood Park: Approximately 3.0 acres of the Neighborhood Park land will be valued as developable based on highest and best use for comparable Light Industrial/Office zoned land as determined by an independent MAI appraiser at the City's sole expense ("Buyer's Appraisal"). Both the appraiser and the appraisal must be approved by Buyer. Buyer shall provide a copy of Buyer's Appraisal to Seller no later than three (3) days after it has been received. Seller's costs for installation of frontage improvements including all stubbed utilities and mass grading costs ("Pad Ready Improvements") shall be included in the property appraisal valuation.

(a) In the event Seller does not accept Buyer's Appraisal as the Purchase Price, then Seller may order its own appraisal, at Seller's sole cost ("Seller's Appraisal"). If Buyer's Appraisal and Seller's Appraisal are more than ten percent (10%) different, then the Parties will engage a third appraisal, at shared costs between the Parties ("Third Appraisal"). If the Third Appraisal is not lower than the Buyer's Appraisal and not greater than Seller's Appraisal, then the Parties agree, in this event, that the Third Appraisal shall establish the Purchase Price. As an alternative to the third appraisal, the Parties may agree to mutually consent to a price in between the two prior appraisals.

(b) If Buyer's Appraisal and Seller's Appraisal are within ten percent (10%) of each other, then the two appraisal's values shall be averaged and the Parties agree the average value shall establish the Purchase Price, subject to each Party's approval.

(c) All appraisers must be MAI certified.

4.2 Approximately 3.5 acres of the proposed Neighborhood Park includes a rock outcropping that will be valued as undevelopable open space for appraisal purposes. The final acreage of the outcropping will be confirmed through the seller's survey.

4.3 The Buyer has the option to inspect the property condition within 10-days prior to the appraisal.

5. **Payment of Purchase Price.** The Purchase Price will be paid as follows:

5.1. The purchase value for the Neighborhood Park land and Pad-Ready Improvements may be paid by the Buyer to the Seller through a combination of Park Impact Fees (cash to a maximum of \$1,000,000.00) and Park Impact Fee Credits.

5.2. **Park Impact Fee Credits.** Park Impact Fee credits issued to the Seller may be used as credits against park impact fees related to any parcel within the Fisher's Quarry development and not transferrable outside of the Fisher's Quarry project area.

6. **Closing.**

6.1 Park Pad Ready Improvements will be completed no later than final occupancy of the first 30% of the residential units (excluding Lot 30). Park Impact Fees shall be released to Seller upon completion of the Pad Ready Improvements, with closing as specified in the final Purchase and Sale Agreement.

7. **Contingencies:** Council approval of the HQ Master Plan, Purchase and Sale Agreement, and acceptance of the Open Space donation.

8. **Purchase and Sale Agreement:** If Seller accepts this LOI by executing below, the parties will act in good faith to negotiate and enter into a mutually acceptable Purchase and Sale Agreement within sixty (60) days after the completion of the appraisal process and mutual acceptance of the purchase price.

8.1 Buyer will prepare a draft Purchase and Sale Agreement.

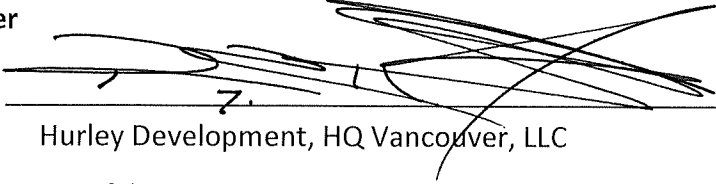
8.2 The Purchase and Sale Agreement will be finalized within 60 days of Council approval of the Purchase and Sale Agreement.

9. **Acknowledgements:** This proposal is specifically conditioned upon: (i) the acknowledgement by both parties that this Letter of Intent is not a legally binding document and that material additional terms must be negotiated before a legally binding document is reached; and (ii) the preparation of a Purchase and Sale Agreement in a form mutually acceptable to the Seller and Buyer.

If Seller is interested in pursuing a transaction consistent with these terms, please indicate such fact by signing a copy of this Letter of Intent and returning it to us.

Agreed and Accepted by:

Seller

By: 
Hurley Development, HQ Vancouver, LLC

Title: Member

Date: 12/22/21

Buyer

By: _____
City of Vancouver

Title: _____

Date: _____